

Do High-Performing MSAs Differ from Other MSAs

Local Employer-Household Dynamics Partnership Workshop

September 10, 2014

Jerry Lonergan
The Civic Council of Greater Kansas City

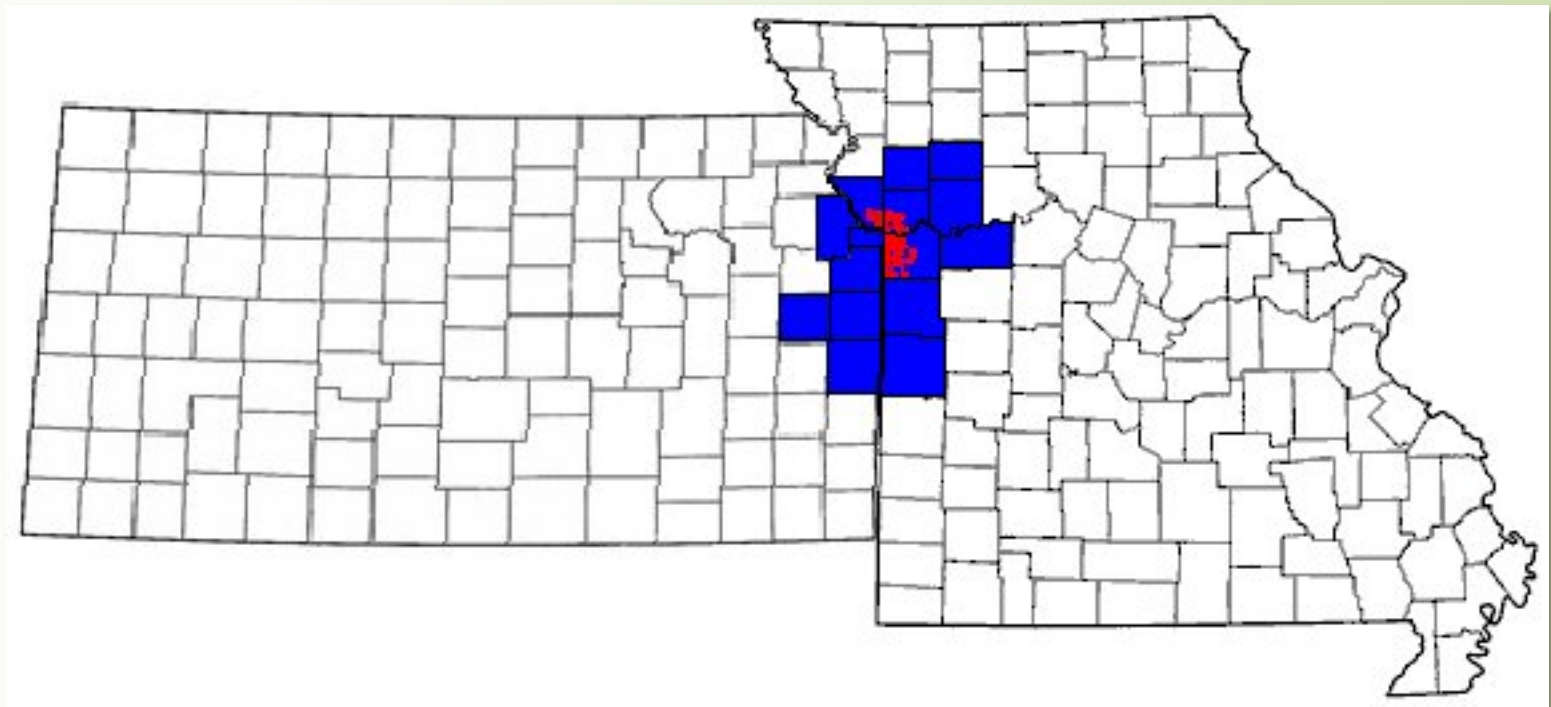
Civic Council of Greater KC

- Organization founded in 1964 by business leaders
- Privately funded & CEO-led
 - 90 members largest companies in the region
- Criteria for engagement
 - Long-Term, Complex,
 - Others Cannot or Will Not Tackle
 - Requires Data-Driven Decisions, Sustained Attention/Funding, High Level Collaboration

Civic Council Issues

- A Region-wide Metropolitan Business Plan
 - Expand Gross Metropolitan Product
 - High-paying Sustainable Jobs
 - Cross Generational
- Leadership in Life Sciences Initiatives (since 2001)
 - KU Med – National Cancer Institute designation
- KCMO Mayor Sly James requested a review of city's HR function and steps necessary to create a high-performing modern HR Dept.

Kansas City Metropolitan Statistical Area (MSA)



October 2013 Board Retreat

KC MSA Data Profile

- Comparative Analysis of multiple variables among 14 Peer Metros
- KC MSA performs well on demographic elements
- Much less successful on jobs and business creation

	MSAs	Rank
	Austin	1
	Raleigh	2
	Denver	3
	Minneapolis	4
	Portland OR	5
	San Antonio	6
	Nashville	7
	Charlotte	8
	Indianapolis	9
	<i>Kansas City</i>	<i>10</i>
	Columbus OH	11
	Pittsburgh	12
	Milwaukee	13
	St. Louis	14
	Louisville	15

KC MSA - 30th Largest MSA

POSITIVES

- 12 largest percent share of population under 18 years of age
- 17th largest percent share of population with at least a college degree

CHALLENGES

- Jobs still below pre-recession peak
- Metropolitan Gross Product declining relative to US

WHY?

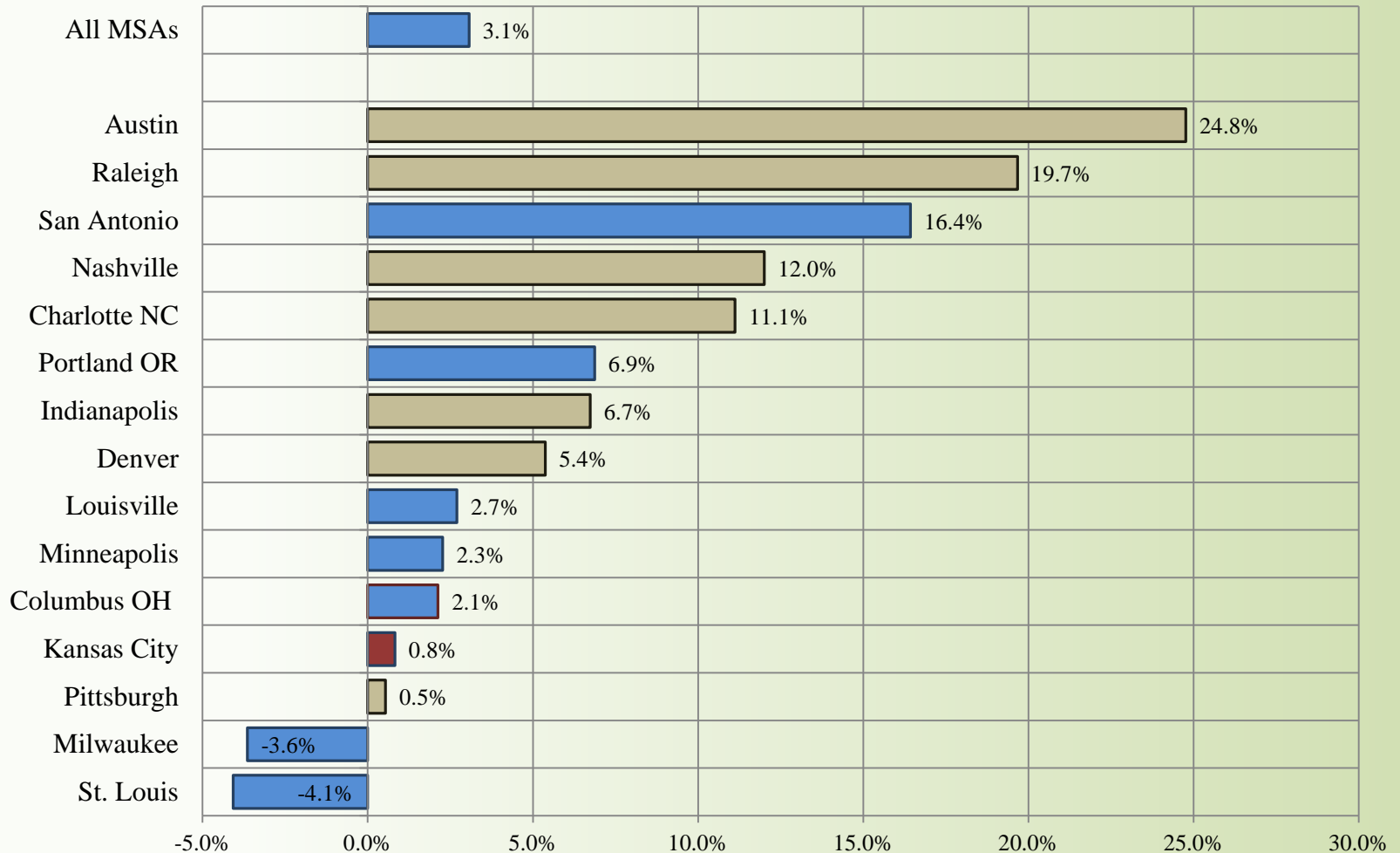
“So, how do we take this information and do something with it?”

Tom McDonnell, CC Board &
CEO of Kauffman Foundation

LEHD On the Map – a bit of the why

- Pretty simple – not sophisticated in any way for each of the 15 metropolitan areas:
 - Search by MSA
 - Perform Analysis on Selection Area
 - Select “private sector jobs” and “2007 & 2011”
 - From Detailed Report – Jobs by NAICS Sector

% Change in Jobs 2002-2012



Tan Bars = MSAs that have passed pre-recession employment levels

LEHD Provided an Answer

At the MSA level, individual NAICS* sector analysis revealed:

- All MSAs increased employment in the Health Care & Social Assistance (15% of total jobs)
- Management of Companies & Enterprises was prominent in some of High-Performing MSAs but was less than 3% of total jobs

** NAICS = North American Industry Classification System – defines establishments based on their primary business activity*

LEHD Answer, *cont.*

NAICS Sector 54 was the key:

- The fully recovered MSAs had a 12% gain
- Near recovery MSAs had 7% gain
- MSAs with a net job increase over 10 years but not yet at pre-recession levels gained 2.8%
- MSAs falling behind experienced a 2.5% *loss* in Sector 54 jobs

NAICS 54

- Professional, Scientific, & Technical Services
- E.g., legal advice and representation; accounting, bookkeeping, and payroll services; architectural, engineering, and specialized design services; computer services; consulting services; research services; advertising services; etc.
- Avg. wage is \$72,930

LED Elevated the Debate

- A clear direction for focused economic development strategy
- Consistent with “anecdotal” reports
- Allowed Kansas City civic and business leaders to confidently focus on a targeted strategy